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Groups of countries in special situations: follow-up to the Fourth United Nations Conference on the Least Developed Countries

Ensuring the effective implementation of the functions of the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States and strengthening its capabilities and its effectiveness, as well as the effectiveness of the United Nations system support provided to least developed countries

Report of the Secretary-General

Summary

The present report is submitted pursuant to General Assembly resolution 66/213 and paragraph 155 of the Programme of Action for the Least Developed Countries for the Decade 2011-2020, which was endorsed by the Assembly in its resolution 65/280. It reviews the original and the subsequent mandates of the Office of the High Representative for Least Developed Countries, Landlocked Developing Countries and Small Island Developing States and how the Office has translated its mandates into actions. The report also provides a brief summary of the United Nations system support targeting the least developed countries.

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I. Introduction

1. The Programme of Action for the Least Developed Countries for the Decade 2011-2020 ("Istanbul Programme of Action"), in paragraph 155, elaborated on, inter alia, the mandates and responsibilities of the Office of the High Representative for Least Developed Countries, Landlocked Developing Countries and Small Island Developing States in assisting the Secretary-General in the effective follow-up to and monitoring of its implementation. In that regard, and with a view to ensuring the effective implementation of the functions of the Office and strengthening its capabilities and effectiveness, as well as the effectiveness of the United Nations system support provided to the least developed countries, the Secretary-General was requested in the Programme of Action to prepare a report, in consultation with Member States and the relevant specialized agencies, funds and programmes and regional commissions, taking into account the work done by the United Nations system, and to submit it with recommendations to the General Assembly at its sixty-seventh session.

2. In his report to the General Assembly at its sixty-sixth session on the outcome of the Fourth United Nations Conference on the Least Developed Countries (A/66/134), held in Istanbul, Turkey, from 9 to 13 May 2011, the Secretary-General, inter alia, briefly outlined the expanded responsibilities of the Office of the High Representative emanating from the Istanbul Programme of Action. By its resolution 66/213, the Assembly took note of that report, underlined that the Office should be provided with the necessary support to fulfil its mandates for the timely and effective implementation of the Programme of Action and recognized that the report of the Secretary-General to the Assembly at its sixty-seventh session, as requested in paragraph 155 of the Programme of Action, should facilitate, inter alia, consideration by the Assembly of the ongoing resource requirements of the Office.

3. The present report is submitted pursuant to the General Assembly resolution 66/213 and paragraph 155 of the Istanbul Programme of Action.

4. In the course of preparing the present report, a survey was conducted among the organizations of the United Nations system and other relevant international organizations. Consultations with Member States were also undertaken in order to benefit from their collective views on the possible ways to translate the specific mandates of the Secretary-General, as provided by the Istanbul Programme of Action and other intergovernmentally agreed outcomes. Consultations were also undertaken with the secretariat of the United Nations System Chief Executives Board for Coordination (CEB).

II. Background, mandate and existing resource capacity of the Office of the High Representative

5. The General Assembly, by its resolution 56/227, established the Office of the High Representative for Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, with the main objective of ensuring a highly visible, efficient and effective follow-up and monitoring arrangement for the implementation of programmes of action for least developed countries, landlocked developing countries and small island developing States. The key functions of the

Office, approved by the General Assembly following the recommendations set out in the report of the Secretary-General (A/56/645, para. 17), were as follows:

(a) To assist the Secretary-General in ensuring the full mobilization and coordination of all parts of the United Nations system, with a view to facilitating the coordinated implementation of and coherence in the follow-up and monitoring of the Programme of Action for the Least Developed Countries at the country, regional and global levels;

(b) To provide coordinated support to the Economic and Social Council as well as the General Assembly in assessing progress and in conducting a periodic review of the implementation of the Programme of Action;

(c) To support, as appropriate, the coordinated follow-up of the implementation of the Global Framework for Transit Transport Cooperation between Landlocked and Transit Developing Countries and the Donor Community and the Programme of Action for the Sustainable Development of Small Island Developing States;

(d) To undertake appropriate advocacy work in favour of least developed countries, landlocked developing countries and small island developing States in partnership with the relevant parts of the United Nations as well as with civil society, the media, academia and foundations;

(e) To assist in mobilizing international support and resources for the implementation of the Programme of Action for Least Developed Countries and other programmes and initiatives for landlocked developing countries and small island developing States;

(f) To provide appropriate support to group consultations of least developed countries, landlocked developing countries and small island developing States.

6. The Office of the High Representative is organized into four units, three of which deal with the least developed countries, the landlocked developing countries and the small island developing States, and report to the Chief of the Policy Development and Coordination, Monitoring and Reporting Service, who in turn reports to the Director of the Office. The fourth, namely, the Advocacy and Outreach Unit is responsible for communication and outreach activities for the three groups of countries and reports directly to the Director of the Office, who in turn reports to the High Representative. Details of the current work to be undertaken by the Office are contained in the proposed programme budget for the biennium 2012-2013 (A/66/6 (sect. 10)). The programme of work comprises three subprogrammes:

(a) Subprogramme 1: Least developed countries. The primary objective is to enable least developed countries to overcome their vulnerabilities and build resilience so as to achieve the Millennium Development Goals and the internationally agreed development goals; and to mobilize international support for their sustained economic growth and sustainable development;

(b) Subprogramme 2: Landlocked developing countries. The primary objective is to ensure effective implementation of the Almaty Programme of Action;

(c) Subprogramme 3: Small island developing States. The primary objective is to foster the achievement of the Mauritius Strategy for Further Implementation.

7. The initial regular budget of the Office of the High Representative for the biennium 2002-2003 was approved with 13 temporary posts, which were subsequently regularized for the following biennium. In addition, for the biennium 2004-2005, one new post at the D-1 level was established within the staffing complement of the Office (see General Assembly resolution 58/270 and A/58/6 (sect. 10)). In 2008, as part of its efforts to further improve the effective and efficient delivery of the mandates for the Organization's development-related activities and the corresponding efficiency of the Secretariat's capacity, the operational capacity of the Office was increased by three additional professional posts (see Assembly resolution 63/260).

8. During the past several years, the operational capacity of the Office of the High Representative has been strengthened on an "as required" basis through non-recurrent provisions, in order to ensure the timely delivery of the Office's responsibilities in line with its expanded mandates. Most recently, the Office has been strengthened with high-level expertise for the purpose of leading its substantive and analytical work in respect of least developed countries, in order to support the implementation of the Istanbul Programme of Action, raise international awareness about the special development challenges confronted by least developed countries and place them high on the global development cooperation agenda. Tasks in that regard have included the preparation of non-recurrent reports and publications on the priority areas of the Istanbul Programme of Action, which has involved leveraging the analytical strength of the United Nations system as a whole so that the comparative advantage of each part of the system can be harnessed to support the follow-up in a coordinated and coherent manner. It also includes coordinating efforts to prepare the annual report of the Secretary-General on the progress achieved in implementing the Programme of Action.

9. The proposed programme budget for section 10, Least developed countries, landlocked developing countries and small island developing States, for the biennium 2012-2013 (A/66/6 (sect. 10)) amounts to $7.3 million, with a staffing complement comprising 18 posts, including 1 at the level of Under-Secretary-General. Outputs include: substantive servicing of intergovernmental meetings; parliamentary documentation; recurrent and non-recurrent publications; booklets, fact sheets, wall charts, information kits; special events; and the website. It will be recalled that for the biennium 2012-2013, the approved programme budget resources of the Office of the High Representative represent approximately 0.14 per cent of the total approved programme budget appropriations for the biennium 2012-2013 (see General Assembly resolution 66/248). As stated in the proposed programme budget for the Office (A/66/6 (sect. 10)), the Office anticipates that it will receive a further $1.5 million in extrabudgetary contributions to augment its regular budget resources.

10. Over the years, the mandate of the Office of the High Representative has expanded through various intergovernmental decisions to ensure effective and timely implementation of the programmes of action for the least developed countries, the landlocked developing countries and the small island developing States. The demand for it to provide support to those vulnerable groups of countries has also increased considerably.

11. In its resolution 2004/65, the Economic and Social requested the Secretary-General to submit an annual progress report on the implementation of the

Programme of Action for the Least Developed Countries for the Decade 2001-2010 ("Brussels Programme of Action") in a more analytical and results-oriented manner by placing greater emphasis on concrete results and indicating the progress achieved in its implementation, which could include the use of a matrix of achievements.

12. By its resolutions 63/227, 64/213 and 65/171, the General Assembly designated the Office of the High Representative as the focal point for the Fourth United Nations Conference on the Least Developed Countries, in order to ensure effective, efficient and timely preparations and to mobilize and coordinate the active involvement of the organizations of the United Nations system in the event.

13. In its resolution 66/213, the General Assembly invited, inter alia, the Office of the High Representative to actively support the least developed countries in integrating and implementing the Istanbul Programme of Action into their national policies and development framework. It also stressed that the Office should continue its awareness-raising and advocacy work in favour of least developed countries in partnership with the relevant parts of the United Nations system, as well as with parliaments, civil society, the media, academia and foundations, and provide appropriate support to group consultations of least developed countries.

14. In respect of landlocked developing countries, the Almaty Programme of Action requested that the Office of the High Representative to, inter alia, enhance its cooperation and coordination with organizations within the United Nations system, particularly those engaged in operational activities on the ground in landlocked and transit developing countries, to ensure the effective implementation of the Programme of Action in line with General Assembly resolution 57/270 B. The Programme of Action also indicated that the Office would continue to carry out advocacy work to mobilize international awareness and focus attention on its implementation of the Programme of Action.

15. In its resolution 60/208, the General Assembly requested the United Nations system organizations to continue their efforts to establish effective indicators to measure progress in the implementation of the Almaty Programme of Action.

16. In its resolution 66/214, the General Assembly decided to hold a comprehensive 10-year review conference on the implementation of the Almaty Programme of Action in 2014. The Office of the High Representative was designated as the United Nations system-wide focal point for the preparatory review process.

17. In respect of the small island developing States, the Mauritius Strategy for Further Implementation in its paragraph 102, requested the Secretary-General to ensure that the Office of the High Representative continued to mobilize international support and resources for the further implementation of the Programme of Action for the Sustainable Development of Small Island Developing States ("Barbados Programme of Action"), in accordance with its mandate.

18. In its resolution 57/262, the General Assembly called upon, inter alia, the United Nations system in general and the Department of Economic and Social Affairs in particular, as well as the Office of the High Representative, to put in place modalities at the international level that would facilitate an international meeting in 2004 as well as relevant regional and interregional preparatory meetings in a timely manner. In resolution 58/213, the Assembly called upon the Office to fulfil its mandate and to advocate strongly, in partnership with the relevant parts of the

United Nations as well as with major groups, the media, academia and foundations, for the mobilization of international support and resources for the successful outcome of the International Meeting and for the follow-up to the outcomes of the 10-year review of the Barbados Programme of Action.

19. In its resolution 63/213, the General Assembly decided that the Department of Economic and Social Affairs, the Office of the High Representative and the relevant agencies of the United Nations system should organize, facilitate and provide necessary support to the review process at the national, regional and international levels in preparation for the 2010 high-level review; and stressed that the review should provide an opportunity to conduct an assessment of the progress made, lessons learned and constraints encountered in the implementation of the Mauritius Strategy for Implementation and agree on what needed to be done to further address the vulnerabilities of small island developing States.

III. Review of the programme of work of the Office of the High Representative

20. The establishment of the Office of the High Representative has brought the issues facing least developed countries, landlocked developing countries and small island developing States to high visibility at the political level. The Office has also contributed to forging consensus at the global level about the specific development needs and challenges of the countries in those respective groups.

21. The activities of the Office of the High Representative towards system-wide coordination on issues relating to such countries has contributed to mobilizing all relevant entities in support of the three programmes of action under its mandate. The Office, several United Nations system organizations and other entities have jointly implemented and continue to jointly implement advocacy, capacity-building and resource mobilization activities. Furthermore, United Nations system activities in the areas of transit transport and trade facilitation, which had previously been conducted under separate regional and subregional initiatives, have been brought under one global framework.

22. The Office of the High Representative has made considerable effort to enhance the coordination and coherence of the United Nations system support to least developed countries and landlocked developing countries, in particular through the establishment of inter-agency consultative group mechanisms and interaction with CEB, the High-level Committee on Programmes, the Senior Management Group, the Executive Committee on Economic and Social Affairs and the United Nations Development Group.

Monitoring and reporting

23. Monitoring of and reporting on the progress made in the implementation of the programmes of action for the least developed countries and the landlocked developing countries are among the core mandates of the Office of the High Representative. The Office prepares analytical and result-oriented reports on least developed countries for the General Assembly and the Economic and Social Council

on an annual basis, as well as annual analytical reports on the implementation of the Almaty Programme of Action for the Assembly.

24. Pursuant to Economic and Social Council resolution 2005/44, and with a view to undertaking effective follow-up to and monitoring of the Brussels Programme of Action, the Office of the High Representative coordinated the development of a number of indicators for its implementation. Following the Fourth United Nations Conference on the Least Developed Countries, the Office of the High Representative, with the support and cooperation of other international organizations, developed a new set of indicators to measure the rate of progress in achieving the broader objectives and the 47 goals and targets under the eight priority areas of the Istanbul Programme of Action. A total of 121 distinct quantitative indicators have been identified.[1]

25. During the midterm reviews of the Brussels Programme of Action in 2006 and the Almaty Programme of Action in 2008, the Office of the High Representative initiated the setting up of inter-agency consultative group mechanisms for the purpose of monitoring the implementation of the respective programmes of action on a system-wide basis. The inter-agency consultative groups on least developed countries and landlocked developing countries operate under the leadership of the High Representative who chairs and coordinates the respective sessions of the groups. The groups function outside the CEB framework, have met annually to review ongoing organizational matters related to the implementation of the respective programmes of action and take a collective decision on further practical steps that may be required by the international community in that regard. In respect of the preparations for the Fourth United Nations Conference on the Least Developed Countries, the meetings were held biannually on an ad hoc basis.

26. The sixth session of the Inter-agency Group on Least Developed Countries was held in Geneva in December 2011 and was attended by 30 organizations of the United Nations system, the regional commissions and relevant offices of the Secretariat. At that session, the Group endorsed a detailed road map for the implementation of specific activities under the Istanbul Programme of Action, indicating specific target dates and entities responsible for the implementation of the activities,[2] and decided to monitor the Programme of Action on a semi-annual basis, beginning in 2012.

27. The seventh session of the Inter-agency Group on Landlocked Developed Countries was held at United Nations Headquarters in February 2012. It reviewed and agreed on the scope and parameters of the preparatory process for the comprehensive 10-year review conference on the Almaty Programme of Action. The Office of the High Representative also plays an active role and contributes to the activities of the Inter-agency Consultative Group on Small Island Developing States, which meets regularly under the leadership of the Under-Secretary-General of the Department of Economic and Social Affairs.

[1] See www.unohrlls.org/en/ldc/962/.

[2] See www.unohrlls.org/en/ldc/967/.

Support to intergovernmental processes

28. Providing support to the intergovernmental processes is the core responsibility of the Office of the High Representative. It extends substantive support to the intergovernmental negotiations being held within the General Assembly and the Economic and Social Council on matters within its purview. The Office often provides substantive, analytical and technical support to the least developed countries and the landlocked developing countries in respect of their priority concerns, including new and emerging issues. The Office assists them in organizing annual ministerial meetings to help them to foster coordinated positions during the sessions of the Assembly. The annual reviews, midterm reviews and the periodic United Nations conferences on least developed countries and landlocked developing countries have been supported by the Office through substantive backstopping, including by preparing concept papers, background documentation and reporting. Occasionally, the Office also provides research and analytical papers on the new and emerging challenges and issues of special concern to the least developed countries and the landlocked developing countries.

29. The Office of the High Representative organized 19 pre-conference events for the Fourth United Nations Conference on the Least Developed Countries. As a result of such efforts and a strong promotional campaign, the Conference received a high degree of visibility.

30. The comprehensive outcome document of the Conference, the Istanbul Programme of Action, brought about a qualitative shift in the development strategy for the least developed countries for the next decade, setting an ambitious overarching goal of enabling half the number of those countries to meet the criteria for graduation by 2020.

31. In accordance with its expanded mandate, the Office of the High Representative enhanced in its outreach to all development partners in the preparatory process for the Fourth United Nations Conference on the Least Developed Countries, effectively engaging intergovernmental bodies, United Nations system organizations and other international organizations, parliaments, civil society, the private sector, foundations and academia.

32. In respect of the landlocked developing countries, the Office of the High Representative served as the focal point in organizing the International Ministerial Conference of Landlocked and Transit Developing Countries and Donor Countries and International Financial and Development Institutions on Transit Transport Cooperation held in Almaty in 2003. The High Representative was designated as the Secretary-General of the Conference, which was the first of its kind to provide the international community with a unique opportunity to galvanize international solidarity and partnerships to assist landlocked developing countries in effectively participating in the international trading system, including by establishing transit systems.

33. In order to strengthen the analytical and negotiation capabilities of landlocked developing countries, the Office of the High Representative, in cooperation with the Office of Legal Affairs, prepared a multilateral agreement on the establishment of a think tank, which was endorsed at a ministerial meeting of landlocked developing countries held in New York in September 2010. The agreement is now open for ratification by those countries at the United Nations.

34. The most significant results achieved for landlocked developing countries have been the wider recognition of the special needs of that group of countries and the much stronger engagement of development partners with respect to transport infrastructure development and trade facilitation, as well as aid, debt relief and market access. Multilateral and development institutions and regional organizations have allocated increased attention to and resources for the establishment of efficient transit systems. There has also been progress in terms of reducing the amount of time involved in export and import processes; simplifying and harmonizing customs procedures; and increased levels of infrastructure developments, as well as regional cooperation and integration. Despite some progress having been achieved, the challenges are still significant in terms of socioeconomic and infrastructure development and smooth trade facilitation, as detailed in the report of the Secretary-General on the implementation of the Almaty Programme of Action (A/67/210).

35. As a part of its support to the intergovernmental processes regarding small island developing States, the Office of the High Representative played a pivotal role in the processes leading up to and during the International Meeting to Review the Implementation of the Programme of Action for the Sustainable Development of Small Island Developing States held in Port Louis in January 2005, including in respect of the then High Representative having been designated as the Secretary-General of the Meeting.

36. The Office of the High Representative has initiated closer cooperation between the United Nations country teams in the small island developing States located in the Pacific region and the permanent missions to the United Nations of those countries by facilitating consultations through, for example, videoconferences and other means of telecommunication. The Office has also been working on facilitating such consultations between the small island developing States in the Caribbean and their respective permanent missions to the United Nations.

37. The support by the Office of the High Representative to the group consultations of countries in special situations at the Headquarters has increased considerably in volume and complexity over the past several years. Each group of countries in special situations currently holds one or two such meetings on a monthly basis.

Advocacy and outreach

38. Since 2001, the Office of the High Representative has embarked on a global outreach campaign to highlight the challenges facing least developed countries, landlocked developing countries and small island developing States. Through its Advocacy and Outreach Unit, the overarching campaign strategy has utilized various communications tools to disseminate information to relevant stakeholders. To ensure the timely distribution of information on the three groups of vulnerable countries, a comprehensive website (www.un.org/ohrlls) has been in operation since the establishment of the Office.

39. To further enhance the implementation of its outreach mandate, the Office of the High Representative regularly produces and distributes a series of printed information materials relevant to the three groups of countries. The printed materials include press releases issued by the High Representative, brochures, fact sheets containing the most recent statistical information available and advocacy booklets. In order to apprise its constituencies of its ongoing work, the Office produces a quarterly newsletter/magazine in English and French.

40. On an intermittent basis, the Advocacy and Outreach Unit in close cooperation with the Department of Public Information contributes articles, op-eds and features to leading development newspapers in North America, Europe and Africa. In the lead-up to and during the Fourth United Nations Conference on the Least Developed Countries, the Advocacy and Outreach Unit in close cooperation with the United Nations Communication Group initiated a global campaign to raise the visibility of the Conference and the issues at stake for least developed countries. The Conference-specific strategy included extensive outreach to civil society and global media firms.

Mobilizing international support and resources for the implementation of the programmes of action

41. There has been a positive trend in the amount of resources made available to least developed countries, landlocked developing countries and small island developing States Net official development assistance disbursements to least developed countries has increased significantly over the past decade, from some $13 billion in 2001 to $44 billion in 2010. In the area of trade, the least developed countries have been enjoying preferential market access and special and differential treatment. International support to landlocked developing countries has also scaled up, with official development assistance increasing to $25 billion in 2010, from $12 billion in 2003. They are also receiving increased attention in the area of trade facilitation and aid for trade. Global attention and support to small island developing States has also increased over the years. The Office of the High Representative has been consistently reporting on the status of global support to the least developed countries and the landlocked developing countries in the annual reports of the Secretary-General and other periodic documents.

42. Apart from mobilizing international support and resources, the Office of the High Representative has also raised extrabudgetary funds for its activities related to following up, monitoring and coordinating the implementation of the programmes of action for the least developed countries and the landlocked developing countries. In this regard, a trust fund for the least developed countries has been established within the Office to facilitate the effective delivery of its mandates. The trust fund is used to conduct relevant campaigns and advocacy activities in support of the Istanbul Programme of Action worldwide and to effectively engage all other actors, such as the private sector, civil society, parliaments and foundations, in the process. The trust fund is also used for facilitating the participation of national focal points from the least developed countries in the annual review meetings on the implementation of Istanbul Programme of Action by the Economic and Social Council as well as in seminars and workshops organized by the Office. Another trust fund has also been established to support the implementation of the Almaty Programme of Action. The Office of the High Representative has provided support for the participation of the representatives of the least developed countries and the landlocked developing countries in the midterm reviews of the respective programmes of action as well as for the participation of least developed country representatives in the substantive sessions of Council. For those purposes, the Office mobilized $12.4 million during the period 2002-2011 for the least developed countries and some $1.5 million during the period 2004-2011 for the landlocked developing countries.

Intergovernmental assessment of the programme performance of the Office of the High Representative

43. The programme performance reports of the Organization for the bienniums 2004-2005, 2006-2007, 2008-2009 and 2010-2011[3] reflected a high percentage rate of programme implementation in terms of delivery of outputs and results by the Office. The programme delivery by the Office for those four periods is provided in the table below.

	2004-2005	*2006-2007*	*2008-2009*	*2010-2011*
Number of outputs delivered	137	135	115	174
Implementation rate (%) of outputs mandated by legislation	80	83	89	100
Implementation rate (%) of total outputs mandated and added by the Secretariat	88	88	90	100
Ratio of all implemented outputs to outputs initially programmed (%)	146	151	117	110

44. The reports highlighted the programme implementation results of the Office by indicating the increased visibility of all three groups of countries in special situations and the greater awareness of, and increased attention paid by, the international community in respect of their special needs and concerns. They also reflected intensified advocacy efforts and enhanced coordination among the United Nations system organizations and other international organizations involved in channelling development assistance to countries in special situations and in ensuring the integrated follow-up and monitoring of the implementation of the programmes of action at the national, regional and global levels.

45. In reviewing the programme performance reports for the bienniums 2004-2005, 2006-2007 and 2008-2009, at its forty-sixth, forty-eighth and fiftieth sessions, respectively, the Committee for Programme and Coordination noted that the reports had provided comprehensive coverage of the implementation of, inter alia, the programmed activities under programme 8, Least developed countries, landlocked developing countries and small island developing States, of the strategic framework of the Organization. In its reports on those sessions (A/61/16, A/63/16 and A/65/16), the Committee recommended that the General Assembly approve the programme narrative of programme 8, least developed countries, landlocked developing countries and small island developing States, of the proposed biennial programme plan. In its resolutions 61/235, 63/247 and 65/244, the Assembly endorsed the conclusions and recommendations of Committee in that regard.

46. In response to General Assembly resolution 61/235, the Office of the Internal Oversight Services undertook an evaluation of the Office of the High Representative. In its evaluation report (E/C.51/2009/2) submitted to the Committee at its forty-ninth session, the Office of Internal Oversight Services concluded that the Office of the High Representative had contributed to the increased awareness of the special development needs of the least developed countries, landlocked developing countries and small island developing States, resulting in greater

[3] A/61/64, A/63/70, A/65/70 and A/67/77.

visibility of the respective programmes of action. At the same time, the evaluation indicated, inter alia, the need for better coordination of programme delivery between respective Secretariat offices. The Committee for Programme and Coordination agreed with the conclusion of Office of Internal Oversight Services on the need for better coordination and synergy to avoid the overlap between the offices concerned. By its resolution 64/229, the General Assembly endorsed the conclusions and recommendations of the Committee.

IV. Review of the United Nations system support to the least developed countries

47. Since its establishment, the Office of the High Representative has made concerted efforts to mobilize the United Nations system to support the least developed countries. A strong, focused and well-designed campaign has resulted in the adoption of a number of specific programmes by the various United Nations agencies that specifically address those countries.

48. In paragraph 153 of the Istanbul Programme of Action, the governing bodies of the United Nations funds and programmes and other multilateral organizations, including the Bretton Woods institutions and other international financial institutions, were invited to contribute to the implementation of the Programme of Action and to integrate it into their work programmes, as appropriate and in accordance with their respective mandates, building on the similar provisions contained in the Brussels Programme of Action. The organizations were invited to participate fully in the reviews of the Istanbul Programme of Action at the national, subregional, regional and global levels.

49. The survey conducted by the Office of the High Representative on the activities undertaken by the organizations of the United Nations system (see para. 4 above) demonstrated a high level of involvement in the implementation of the Programme of Action, with some organizations setting up specific programmes to target the least developed countries and participating in joint programmes with other offices of the Secretariat and with the United Nations system organizations, as appropriate. Most of the United Nations system organizations have specific funds and programmes earmarked for the least developed countries.. Approved programme budget resources under section 10, Least developed countries, landlocked developing countries and small island developing States, have increased from $3.1 million for the biennium 2002-2003 (see A/58/6 (sect. 10) to $7.3 million for the biennium 2012-2013 (see General Assembly resolution 66/248, sect. A).

50. The United Nations Capital Development Fund is mandated to promote economic development in the least developed countries. It provides support through capital grants and loans as well as by ensuring that financial services reach poor people and small businesses. In 2011, the Fund initiated 55 joint country programmes in the least developed countries, of which 26 are in landlocked developing countries and 6 are in small island developing States. In addition, it is operating eight regional and two global programmes targeting those countries.

51. The Committee for Development Policy undertakes triannual reviews of the list of least developed countries, on the basis of which it makes recommendations to the Economic and Social Council to identify the countries that should be included in

the list and those that are eligible for graduation from the list. It also monitors the development progress of graduating and graduated countries and includes the findings in its annual reports to the Council. The Committee secretariat has launched an information portal[4] aimed at facilitating access to information related to the existing international support measures that target least developed countries.

52. The United Nations Conference on Trade and Development has a division that specifically addresses the development challenges of least developed countries in the context of three pillars, namely: (a) intergovernmental deliberations and consensus-building through the Trade and Development Board; (b) research and analysis on key and emerging development issues; and (c) technical assistance in response to the needs expressed by its member States, including from least developed countries.

53. The Economic Development and New Partnership for Africa's Development Division of the Economic Commission for Africa is tasked in particular to promote economic growth and social development with a special emphasis on least developed countries, in line with the Istanbul Programme of Action. In 2009, the Millennium Development Goals/Least Developed Countries Section was created within the Division to address the special needs of least developed countries. In 2011, the Section developed an online monitoring tool to track the progress of the least developed countries in respect of the related programmes of action.

54. The Countries with Special Needs Section within the Macroeconomic Policy and Development Division of the Economic and Social Commission for Asia and the Pacific (ESCAP) is dedicated to supporting the improved capacity of the least developed countries in the Asia-Pacific region. It also provides cutting-edge analyses on related issues and undertakes advocacy work at the national and regional levels. In December 2011, ESCAP adopted a regional road map on the Implementation of the Istanbul Programme of Action.

55. Many other organizations of the United Nations system pay special attention to the development needs of the least developed countries through tailored technical cooperation programmes or by earmarking a proportion of their budgets for those countries. For example, the revised target for resource allocation from the core United Nations Development Programme (UNDP) budget for the period 2004-2007 stipulated that between 60 and 62 per cent of the budget should be allocated to least developed countries. Around 70 per cent of the operational budget of the World Food Programme (WFP), which amounted to around $2.6 billion in 2010, is targeted for least developed countries. The United Nations Population Fund (UNFPA) allocated 49.3 per cent of its resources to the countries in 2011. The amount of programme assistance provided by the United Nations Children's Fund (UNICEF) to least developed countries in 2011 totalled approximately $2.9 billion. According to a decision by the UNICEF Executive Board in 2008, at least 60 per cent of its core resources would be directed to least developed countries. Another case in point, referred to in the *Handbook on the Least Developed Country Category: Inclusion, Graduation and Special Support Measures*, is the United Nations Development Account project on "Capacity-building for graduation strategies for least developed countries in Asia and Africa" for the period 2008-2011.

[4] http://webapps01.un.org/ldcportal/web/guest/home.

56. The Integrated Framework for Trade-related Technical Assistance, including for Human and Institutional Capacity-Building, to Support Least Developed Countries in Their Trade and Trade-Related Activities represents an important initiative in support of the least developed countries. The multi-donor programme, which supports those countries in becoming more active players in the global trading system, involves six multilateral agencies: UNDP, UNCTAD, the World Bank, the International Monetary Fund, the World Trade Organization (WTO) and the International Trade Centre. The Integrated Framework was superseded by the Enhanced Integrated Framework for Trade-Related Technical Assistance to Least Developed Countries in 2007.

57. The Least Developed Countries Fund, operated by the Global Environment Facility, has supported the preparation and implementation of national adaptation programmes of action. As at December 2011, the Fund had approved some $217 million for related projects and had mobilized more than $919 million in cofinancing. The Fund has enabled 48 least developed countries to access resources for the preparation of their adaptation programmes.

58. The World Trade Organization has a specific organizational set-up to deal with the least developed countries. Its subcommittee on the least developed countries addresses, among other areas, issues related to market access, trade-related technical assistance, capacity-building initiatives; the mainstreaming of the trade-related elements of the Istanbul Programme of Action into its work; the participation of least developed countries in the multilateral trading system; the accession of least developed countries to WTO; and follow-up to WTO ministerial decisions/ declarations.

59. Although the World Bank does not use the least developed countries category of the United Nations, virtually all of those countries are eligible for International Development Association assistance. During its fifteenth replenishment meeting, covering the period 2009-2011, the Association provided about $20 billion to the least developed countries, which represents almost half of the total commitments of the Association.

60. The World Intellectual Property Organization (WIPO) has a special organizational programme and mandate to assist the Governments of the least developed countries to implement policies that would allow them to use the intellectual property system to their best advantage.

61. At the United Nations system level, CEB, issued a statement on the Fourth United Nations Conference on the Least Developed Countries at its first regular session of 2011 (see CEB/2011/1, annex). By the statement, CEB indicated the commitment of the United Nations system organizations to supporting productive capacity- building in the least developed countries. At its twenty-second session, held in New York on 15 and 16 September 2011, the High-level Committee on Programmes issued a statement indicating the commitment of its member organizations to implement at the Istanbul Programme of Action in a coherent and synergistic manner (see CEB/2011/6, annex). It also expressed the commitment of its member organizations to integrating the Programme of Action into the work programmes of the United Nations system and participating fully in its review at national, subnational, regional and global levels.

62. The survey undertaken by the Office of the High Representative highlighted practices and commitments by the organizations of the United Nations system in respect of setting up and implementing joint development support programmes. The executive boards of UNDP, UNFPA, UNICEF, the United Nations Office for Project Services (UNOPS), the United Nation Entity for Gender Equality and the Empowerment of Women (UN-Women) and the World Food Programme (WFP) met in January 2012 to discuss and agree on a collaborative contribution to the implementation of the Istanbul Programme of Action. They identified four joint thematic tasks in that regard,[5] confirmed their full commitment to the implementation of the Programme of Action and agreed that its implementation would be fully factored into their new strategic plans and annual work programmes.

63. In a similar way, a number of United Nations entities have already taken decisions to mainstream the Istanbul Programme of Action and integrate its provisions into their work programmes, including the International Atomic Energy Agency (IAEA), the International Telecommunication Unit (ITU), the United Nations Capital Development Fund, UNCTAD, UNDP, ESCAP, the United Nations Educational, Scientific and Cultural Organization (UNESCO), UNFPA, UNICEF, the United Nations Industrial Development Organization (UNIDO), the United Nations Framework Convention on Climate Change, UNOPS, UN-WOMEN, WFP, WIPO and the World Meteorological Organization (WMO). For other organizations, the issue will be on the agenda of the next meeting of their governing bodies.

64. United Nations system support, along with other factors, has contributed to progressive improvement in the development of least developed countries. For them as a group, the past decade has been marked by particularly strong growth acceleration, their total volume of exports has almost doubled, and there has been rapid progress in universal primary education and gender equality in school enrolments. Progress has also been made by least developed countries in mobilizing domestic resources so as to ensure the sustainability of funding for national development priorities. South-South development cooperation has expanded beyond the expectations envisioned in the Brussels Programme of Action. However, significant challenges persist. Least developed countries still have a long way to go before they can fully achieve economic, social and environmental development, poverty eradication, employment generation, structural transformation and graduation from least developed country status.

Challenges to be addressed

65. At the system-wide level, the inter-agency consultative groups are used as informal mechanisms for discussions and collaborative actions for the implementation of the respective programmes of action. The fact that they have not been institutionalized and do not have structured accountability and reporting mechanisms does not allow for the full realization of their potential in mobilizing the United Nations system to implement the programmes of action. At the regional level, although ESCAP and ECA have undertaken their own plans to support the

[5] The four thematic tasks are (a) building national capacities for effective delivery of basic services; (b) mainstreaming the Istanbul Programme of Action in national plans and programmes; (c) helping youth develop and (d) strengthening resilience, including to climate change.

implementation of the Istanbul Programme of Action, there is still room for full engagement by all United Nations entities and regional organizations to assist least developed countries, landlocked developing countries and small island developing States in that regard. At the national level, while efforts have been made to make the United Nations system more coherent, effective and efficient by introducing "Delivering as one" pilot initiatives, the process remains limited since only eight countries have volunteered to become "Delivering as one" pilots. Three of them are least developed countries and one has just graduated from the list.[6] There are also 21 "self-starter" countries that have followed the "Delivering as one" approach, 8 of which are least developed countries.[7]

66. The survey conducted by the Office of the High Representative has brought to the fore that several of the organizations do not have specific legislative mandates in relation to least developed countries and that they do not accord special treatment to or implement tailored-made programmes for the groups of countries in special situations. On an organizational side, not all of them have set up a specific focal point or a specific organizational unit within their respective organizational structures to monitor the implementation of the programmes of action at an agency level. There is also a pressing need for streamlining and standardizing the reporting processes on the delivery of the development assistance by the United Nations system organizations to ensure availability of information in a comparable manner.

V. Expanded mandates of the Office of the High Representative and the need for strengthening its capabilities and effectiveness

67. The Istanbul Programme of Action has elaborated on the partnerships of least developed countries, including donor countries, developing countries within the framework of South-South cooperation, parliaments, civil society, the private sector and the United Nations system. Being charged with the key responsibility to assist the Secretary-General in the effective follow-up of the programmes of action, the High Representative needs to vigorously pursue the implementation of the Istanbul Programme of Action and the Almaty Programme of Action in a coordinated and coherent manner involving all relevant stakeholders, with a view to ensuring their full, effective and timely implementation at the national, regional and global levels. It also needs to continue to provide appropriate support to the implementation of the Mauritius Strategy for Further Implementation.

68. In resolution 66/213, the General Assembly underlined the need for giving particular attention to the issues and concerns of the least developed countries in all major United Nations conferences and processes. The Group of Least Developed Countries often meets on a number of important issues in the areas of development and related fields, including new and emerging issues. The Istanbul Programme of Action has reaffirmed the mandate to provide appropriate support to the group consultations of least developed countries. The Office of the High Representative can take a lead in preparing substantive documents highlighting the priorities,

[6] Albania, Cape Verde, Mozambique, Pakistan, Rwanda, United Republic of Tanzania, Uruguay and Viet Nam.

[7] Bhutan, Comoros, Ethiopia, Kiribati, Lesotho, Malawi, Mali and Samoa.

challenges and opportunities for such countries in relation to important issues under consideration by the Assembly and the Economic and Social Council.

69. In the context of its substantive support to the group consultations by the least developed countries and the landlocked developing countries, as well as the substantive coordination of the activities of the relevant task forces and working groups, there is increasing demand for the Office of the High Representative to prepare substantive documents on specific subjects, which requires a higher level of research on the issue under consideration. Such specific responsibilities call for maintaining a limited research capacity within the Office in order to ensure availability of substantive support to the groups as well as other coordination mechanisms in a timely manner.

70. It should also be noted that in line with resolution 66/213, the Office of the High Representative has extended organizational and substantive support to the ad hoc working group to further study and strengthen the smooth transition process for the countries graduating from the least developed country category. In its report (A/67/92), the working group suggested that the Office play a more active role in coordinating United Nations support and advocating for more comprehensive support for graduating and graduated countries, and recognized that the Office had a leading role to play in attuning the United Nations system and other partners to the issue of smooth transition.

71. With a view to undertaking effective follow-up to and monitoring of the implementation of the Istanbul Programme of Action, it is necessary to develop quantifiable indicators against its agreed goals and targets and to establish and maintain a database of indicators for those purposes.

72. In considering the importance of acquiring new technologies and building domestic capacity and knowledge bases, the General Assembly, in resolution 66/213, requested the Secretary-General to take the steps necessary to undertake a joint gap and capacity analysis on a priority basis by 2013 with the aim of establishing a technology bank and science, technology and innovation supporting mechanism dedicated to the least developed countries, building on the existing international initiatives. The Office of the High Representative, in its efforts to implement the above mandate, established an inter-agency task force to draw on the expertise that exists within the United Nations system and is in need of strengthened capacity to support the activities of the task force.

73. The additional responsibilities delegated to the Office of the High Representative, in accordance with paragraph 2 of General Assembly resolution 66/213, include the need for the Office to help the least developed countries to conceptualize and elaborate their development frameworks, in collaboration with their development partners and relevant United Nations system organizations, in order to promote implementation of the Istanbul Programme of Action. That involves organizing appropriate forums, such as seminars and expert meetings, aimed at facilitating the integration of the provisions of the Programme of Action into the national policies of least developed countries.

74. The consultations with Member States conducted in the context of the preparation of the present report have also highlighted a need for intensified efforts by the Office of the High Representative in assisting the least developed countries and landlocked developing countries in achieving the goals established by the

respective programmes of action, in particular by identifying the challenges faced by those groups of countries and suggesting appropriate remedial measures to address them. Some delegates have suggested that the Office should be more vigorous in its efforts to mobilize the international community in implementing the Mauritius Strategy for Further Implementation..

75. The Office of the High Representative has ascertained that the implementation of its work programme stemming from the Istanbul Programme of Action, as elaborated in the related road map, would require delivery of 205 final outputs during the biennium 2012-2013. This represents an approximate increase of 10 per cent in the volume of outputs to be delivered against the level already achieved in the biennium 2010-2011, and is significantly higher than those in the previous bienniums.

76. The new and expanded mandates, as articulated in the preceding paragraphs, require the strengthening the Office of the High Representative, in particular in the areas of facilitating, implementing, monitoring and reporting on the Istanbul Programme of Action. They also emphasize the enhanced role of non-governmental stakeholders, such as civil society and the private sector. The increased scope of the Istanbul Programme of Action in terms of priority areas and the increased number of goals and targets require activities in those additional areas for which increased inter-agency cooperation and advocacy are also needed.

77. During its sixty-sixth session, the General Assembly reinstated the non-recurrent provisions under section 10, Least developed countries, landlocked developing countries and small island developing States of the biennium 2010-2011 in order to support the preparatory work for Fourth United Nations Conference on Least Developed Countries for the biennium 2012-2013, having recognized the ongoing needs to implement the follow-up activities of the Conference and other development activities. The newly established recurrent requirements are sufficient to cover the amount necessary to provide for three professional positions (1 P-4 and 2 P-3 positions) under general temporary assistance and other operational requirements for the remainder of the biennium 2012-2013. The provision of resources under general temporary assistance offers the Office of the High Representative the flexibility to determine and thereby optimize its use of the approved resources to meet evolving needs in respect of the initial follow-up to the Conference. The resources largely cover the additional requirements to support the Office in fulfilling its new and expanded mandates in that regard. In respect of the biennium 2014-2015, the requirements will be reviewed within the context of the overall proposed programme budget for that biennium.

VI. Conclusions and recommendations

78. **Despite the fact that some progress has been achieved, the coordination and coherence of support provided to the least developed countries by the United Nations system organizations and other international organizations needs to be further strengthened. The United Nations development system and the Bretton Woods institutions should further intensify their cooperation, collaboration and coordination efforts, including through greater harmonization and consistency of strategic frameworks, instruments, modalities and partnership arrangements, in full accordance with the priorities**

of the recipient Governments. The "Delivering as one" initiative has shown, in practical ways, how national ownership and leadership in the operational activities of the United Nations system can be strengthened and how the United Nations system can deliver better for all.

79. **With a view to ensuring wider recognition of the needs of the least developed countries, all United Nations system organizations and other relevant international organizations should take the necessary steps to accord special priority to the least developed countries within the context of their legislative mandates. Organizations that have not yet done so should take specific legislative decisions to fully integrate the Istanbul Programme of Action into their operational mandates.**

80. **Although the United Nations development system provides important support to the least developed countries, the Fourth United Nations Conference on the Least Developed Countries confirmed that international support measures should be strengthened, given the degree of challenges that those countries have been facing. The United Nations system should therefore scale up its substantive and technical assistance to the least developed countries in a timely, long-term, predictable and flexible manner. The United Nations system should also play an active and catalytic role in representing the voice of those countries at the forums where they are not represented.**

81. **In order to ensure consistent coordination and monitoring of the implementation of the programmes of action at the agency level, the organizations of the United Nations system that have not yet done so should set up specific focal points or organizational units within their secretariat structures.**

82. **The inter-agency consultative group mechanisms on the least developed countries, landlocked developing countries and small island developing States have already proved their efficiency in mobilizing the organizations of the United Nations system to implement the programmes of action. The groups should be institutionalized within the framework of the High-level Committee on Programmes as standing inter-agency mechanisms in charge of coordinating and monitoring the implementation of the programmes of action on a system-wide basis. The consultative groups should finalize their respective terms of reference as soon as possible for approval by the Committee. In addition, the groups should periodically report to the Committee on the progress made in the implementation of the programmes of action by the United Nations system as a whole.**

83. **The Integrated Implementation Framework** (available from http://iif.un.org), **launched by the Secretary-General in June 2012, is a web portal that can record in an integrated, unified and comprehensive manner, the delivery of commitments made by each development partner of the Istanbul Programme of Action, including developed countries, developing countries within the framework of South-South cooperation, the United Nations system, other international organizations, non-governmental organizations, the private sector and civil society, within the overall framework of Millennium Development Goals. Achieving that objective would, however, require a concerted effort on the part of the United Nations system to reorganize the**

reported data in line with the parameters of the Integrated Implementation Framework.

84. **Since its establishment, the responsibilities of the Office of the High Representative have increased considerably in their scope and complexity. In addition to its original mandate, the requirement to provide substantive and technical support to the least developed countries, landlocked developing countries and small island developing States has increased and currently represents a mandatory activity of the Office. The substantive and technical support provided to group consultation processes has also expanded considerably, as compared with earlier periods.**

85. **In respect of the mobilization of extrabudgetary resources, the Advisory Committee on Administrative and Budgetary Questions has requested that a detailed description of the Office's new donor strategy be included in the proposed programme budget for 2012-2013 (see A/64/7, para. IV.24). The new donor strategy, however, was not reflected in the proposed budget for the biennium 2012-2013, owing to the limited time frame between the adoption of the Istanbul Programme of Action and the agreement on a road map within the inter-agency consultative group mechanism, which forms the basis of the donor strategy, and the submission deadlines for the proposed programme budget for the biennium 2012-2013. As explained during the intergovernmental proceedings, a new donor strategy would be finalized reflecting the outcomes and recommendations of the Fourth United Nations Conference on Least Developed Countries (see A/66/6 (sect. 10), table 10.13). At the time of the writing of the present report, the donor strategy remains under development and will be used by the Office of the High Representative as a guideline within which to mobilize extrabudgetary resources to complement resources from the regular budget to finance its activities.**

86. **The Office of the High Representative, in cooperation with other organizational entities will be assisting the least developed countries in mainstreaming the Istanbul Programme of Action into their national policies and programmes, in line with the provisions of paragraph 2 of resolution 66/213. It should be noted, however, that such activities would involve significant increases in the responsibilities of the Organization and other actors to organize and conduct workshops, seminars and other activities at the global, regional and nation levels, as detailed in section III above. It should also be noted that, traditionally, such activities have been predominantly financed from extrabudgetary contributions and that the present level of funds available may prove to be insufficient, given the anticipated increase in such activities.**

87. **Without sufficient resources in the trust funds for the least developed countries and the landlocked developing countries, the Office will not be able to realize its original and subsequent expanded mandates. Member States are therefore urged to encourage donor countries, as well as other countries in a position to do so, to substantially increase their extrabudgetary contributions for effective follow-up to the Istanbul Programme of Action and the Almaty Programme of Action.**

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Implementation of the outcome of the United Nations Conference on Human Settlements (Habitat II) and strengthening of the United Nations Human Settlements Programme (UN-Habitat)

Implementation of the outcome of the United Nations Conference on Human Settlements (Habitat II) and strengthening of the United Nations Human Settlements Programme (UN-Habitat)

Report of the Secretary-General

Summary

The present report, which is submitted pursuant to paragraph 17 of General Assembly resolution 66/207, describes the activities of the United Nations Human Settlements Programme (UN-Habitat), in the year following issuance of the last report, in implementing the outcome of the second United Nations Conference on Human Settlements (Habitat II) and the strengthening of UN-Habitat. The report contains a summary of progress made in preparations for the third United Nations conference on housing and sustainable urban development (Habitat III), governance review and organizational reform. It also discusses the outcomes of the United Nations Conference on Sustainable Development relevant to the work of UN-Habitat.

Further, the report reviews progress in the implementation of a number of programmatic components of the Habitat Agenda and other issues highlighted in General Assembly resolution 66/207, including progress in the implementation of the medium-term strategic and institutional plan for the period 2008-2013, slum upgrading, cities and climate change, and post-disaster and post-conflict reconstruction. The report concludes with a number of recommendations, most of them relating to the scope, modalities, format and organization of Habitat III.

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I. Introduction

1. The present report is submitted pursuant to paragraph 17 of General Assembly resolution 66/207 on the implementation of the outcome of the United Nations Conference on Human Settlements (Habitat II) and strengthening of the United Nations Human Settlements Programme (UN-Habitat).

II. Third United Nations Conference on Housing and Sustainable Urban Development (Habitat III)

2. In its resolution 66/207, the General Assembly decided to convene in 2016, in line with the bidecennial cycle (1976, 1996 and 2016), a Third United Nations Conference on Housing and Sustainable Urban Development (Habitat III). The purpose of the conference is to reinvigorate the global commitment to sustainable urbanization, focusing on the implementation of a "New Urban Agenda", which should build on the Habitat Agenda,[1] the Declaration on Cities and Other Human Settlements in the New Millennium[2] and relevant internationally agreed development goals, including those contained in the United Nations Millennium Declaration,[3] the Johannesburg Declaration on Sustainable Development[4] and the Plan of Implementation of the World Summit on Sustainable Development ("Johannesburg Plan of Implementation"),[5] as well as the outcomes of other major United Nations conferences and summits, including the United Nations Conference on Sustainable Development.

3. In response to paragraph 5 of General Assembly resolution 66/207, UN-Habitat has, during the reporting period, considered a number of issues relating to the scope, modalities, format and organization of the Third United Nations Conference on Housing and Sustainable Urban Development (Habitat III), in a most efficient and effective manner. The focus has been on the following issues: inclusion of all relevant stakeholders in national, regional and international preparatory processes; meetings of the Preparatory Committee; and documentation required for the Conference and its preparatory process.

4. The second United Nations Conference on Human Settlements (Habitat II), held in Istanbul in June 1996, was acknowledged as having taken a significant step towards inclusion of non-governmental stakeholders in United Nations world conferences. A wide range of non-governmental organizations had been accredited and participated in the Conference. One of the two main Conference committees, Committee II, was devoted specifically to hearings on the role and contribution of local authorities, the private sector, parliamentarians, non-governmental organizations and other partners in the implementation of the Habitat Agenda.

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[1] *Report of the United Nations Conference on Human Settlements (Habitat II), Istanbul, 3-14 June 1996* (United Nations publication, Sales No. E.97.IV.6), chap. I, resolution 1, annex II.

[2] General Assembly resolution S-25/2, annex.

[3] See General Assembly resolution 55/2.

[4] *Report of the World Summit on Sustainable Development, Johannesburg, South Africa, 26 August-4 September 2002* (United Nations publication, Sales No. E.03.II.A.1 and corrigendum), chap. I, resolution 1, annex.

[5] Ibid., resolution 2, annex.

5. Habitat III would benefit from an equally — or even more inclusive — approach. The ambitious objective set out by the General Assembly in its resolution 66/207 of defining a New Urban Agenda requires the participation of all stakeholders involved in housing and sustainable urban development. In light of this, UN-Habitat has encouraged Member States to establish national habitat committees, in line with resolution 62/198, in which the General Assembly encouraged Member States to strengthen or establish, as appropriate, broad-based national Habitat committees with a view to mainstreaming sustainable urbanization and urban poverty reduction in their respective national development strategies. Guidelines on the composition and role of national habitat committees have also been shared with all Member States.

6. It is envisaged that national habitat committees will consist of representatives of relevant national ministries, local authorities, civil society, the private sector, academic institutions and external support agencies. Their role will be to ensure a broad-based and inclusive preparatory process for Habitat III, including identification of key achievements and challenges in the implementation of the 1996 Habitat Agenda, as well as of emerging human settlements issues and responses.

7. At the international level, a key issue that needs to be considered in the establishment of the Preparatory Committee for Habitat III is openness, not only to all Member States of the United Nations, but also to observers, in accordance with the rules of procedure of the General Assembly, as well as to Habitat Agenda partners including local authorities, parliamentarians, non-governmental organizations, the private sector and members of the United Nations system, including specialized agencies, funds and programmes.

8. With respect to meetings of the Preparatory Committee for Habitat III, experience from the United Nations Conference on Sustainable Development, the most recent United Nations international conference, suggests that sufficient time for negotiations should be provided. It is clear that the necessary preparatory work can be carried out in three meetings of the Committee, but careful consideration will need to be given to the duration of each of them. Current suggestions range from 5 to 10 days per Committee meeting.

9. Both General Assembly resolution 66/207 and Economic and Social Council resolution 2012/27 emphasized that the preparatory process of Habitat III should take full advantage of planned meetings by aligning with the twenty-fourth and twenty-fifth sessions of the Governing Council of UN-Habitat and with the sixth and seventh sessions of the World Urban Forum and encouraged the regular regional ministerial conferences on housing and urban development and other relevant expert group meetings to support the activities of the preparatory process, taking into account that the Conference and the preparatory process should be carried out in the most inclusive, efficient, effective and improved manner.

10. In light of this, UN-Habitat and the Division of Conference Services of the United Nations Office at Nairobi are carrying out a comparative assessment of the cost of different alternatives regarding the location of Preparatory Committee meetings. The first option is that suggested in both General Assembly resolution 66/207 and Economic and Social Council resolution 2012/22, that is, aligning meetings of the Preparatory Committee with already scheduled meetings of the Governing Council of UN-Habitat and the World Urban Forum. This would minimize the expenses of Member State, as a single mission would cover two

meetings held back-to-back and in the same location. However, costs to the United Nations Secretariat would not necessarily be minimized, as secretariat staff servicing the meetings would need to be brought in from the main duty stations. Back-to-back meetings of the Preparatory Committee with the World Urban Forum would also increase the expenses of the host city and country, given the rule that the additional costs of United Nations meetings held away from Headquarters have to be met by the host country.

11. The second option is holding all meetings of the Preparatory Committee in New York. Preliminary findings of the assessment currently being carried out by UN-Habitat and the Division of Conference Services of the United Nations Office at Nairobi suggest that this might also be an economical option, given that all Member States have missions at United Nations Headquarters in New York, and therefore do not necessarily have to incur expenses for travel to Committee meetings. In addition, the United Nations Secretariat has full conference-servicing capacity in New York, which means that minimal expenses would be incurred for travel of conference-servicing staff. However, costs related to the travel of UN-Habitat staff involved in providing substantive inputs to Committee meetings would be higher than if such meetings were to be held back-to-back with the sessions of the Governing Council and the World Urban Forum.

12. There may also be other options which combine some elements from the two main options described above, such as holding in Nairobi those meetings of the Preparatory Committee that coincide with Governing Council meetings, thus allowing for some savings on the travel of conference-servicing staff and UN-Habitat staff, as well as of States members of the Governing Council of UN-Habitat, with the rest of the Committee meetings being held elsewhere, either back-to-back with World Urban Forum meetings or in New York or Geneva (which also has good conference-servicing capacity).

13. With respect to key documentation, a major task will be to assess — at the local, national, regional and international levels — achievements attained and challenges encountered in the implementation of the Habitat Agenda, which was adopted by Member States at Habitat II. This assessment will also need to review the effectiveness of international measures adopted, including the institutional framework, in support of the implementation of the Habitat Agenda. In addition, it will need to identify new human settlements challenges that have emerged since 1996, and how these challenges are being addressed.

14. The second task will be to develop a New Urban Agenda, on the basis of the assessment of the implementation of the 1996 Habitat Agenda and of the new challenges identified. In line with General Assembly resolution 66/207, both the assessment of the implementation of the Habitat Agenda, and the development of a New Urban Agenda, will have to be widely inclusive, with inputs from Member States and all Habitat Agenda partners, including local authorities.

15. Member States might wish to consider some of the above ideas during negotiations on a General Assembly resolution regarding the scope, modalities, format and organization of Habitat III. Results of the comparative cost assessment of different options for Preparatory Committee meetings will also be made available.

III. Institutional challenges and opportunities

A. Governance review

16. In paragraph 11 of resolution 66/207, the General Assembly encouraged UN-Habitat to move the governance review process forward, in cooperation with the Committee of Permanent Representatives, in order to continue on its path towards the improvement of its transparency, accountability, efficiency and effectiveness.

17. During the reporting period, considerable progress was made on the governance review process. In line with Governing Council resolution 23/13, entitled "Governance of the United Nations Human Settlements Programme" (A/66/8, annex, sect. B), adopted by the Governing Council of UN-Habitat on 15 April 2011, the Committee of Permanent Representatives to UN-Habitat and UN-Habitat staff worked jointly to implement the third phase of the governance review process, whose aims were to: (a) further examine the options for reform and develop a preferred option; (b) develop procedures for the examination phase; (c) seek consensus on the identified option; and (d) develop an action plan for presentation to the General Assembly.

18. To carry out this work, an Open-ended Consultative Group on Governance Review of the Committee of Permanent Representatives was set up. The Consultative Group developed the terms of reference of phase III of the review process, which were approved during the forty-third regular session of the Committee of Permanent Representatives, held on 15 December 2011. In line with these terms of reference, four task force teams were set up to analyse each of the four governance challenges identified during phase II and to provide proposals for action and recommendations on options for tackling those challenges. During the first quarter of 2012, all four task force teams completed their work and submitted their findings and proposals to the Committee of Permanent Representatives at its forty-forth regular session, held in March 2012, for its endorsement.

19. Following this, the Open-ended Consultative Group commenced a comparative analysis of governance models of other programmes and agencies of the United Nations system, on the basis of which a suitable model will be selected and an action plan developed. Six organizations — the United Nations Office on Drugs and Crime (UNODC); the United Nations Conference on Trade and Development (UNCTAD); the United Nations Development Programme (UNDP); the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women); the Office of the United Nations High Commissioner for Refugees (UNHCR); and the World Food Programme (WFP) — were selected for comparative analysis, some of them with both normative and operational functions and others with recent experience in governance reform.

20. The exercise proved to be very fruitful in terms of providing insight and a wide range of potential solutions adopted in different governance models in order to improve efficiency, transparency and accountability. It is envisaged that the governance review process will be concluded by the end of 2012, with the completion of a report for submission to the General Assembly.

B. Organizational reform

21. During the reporting period, the organizational review process was completed, with implementation of the reform commencing at the beginning of 2012. The organizational review process had been launched in February 2011, following recommendations made by Member States and the key development partners of UN-Habitat. Its main objective was to establish a structure and management approach capable of ensuring more effective and efficient delivery of the UN-Habitat mandate at the country, regional and global levels. The impact of the global economic crisis had also introduced critical financial constraints which had to be taken into account in the organizational review.

22. Various consultations with staff at large, and staff representatives, as well as the United Nations Office at Nairobi and various other pertinent stakeholders, were held throughout the organizational review and reform implementation processes. Close coordination with the Department of Management of the United Nations Secretariat in New York was also established.

23. A transitional period was established to allow some of the key change components to mature and take shape. Drafting of the new Secretary-General's bulletin reflecting the proposed final organizational structure of UN-Habitat commenced in June 2012.

24. The following seven new branches have been established, each focusing on the implementation of both normative work and operational projects in one substantive area:

(a) Urban legislation, land and governance;

(b) Urban planning and design;

(c) Urban economy;

(d) Urban basic services;

(e) Housing and slum upgrading;

(f) Risk reduction and rehabilitation;

(g) Research and capacity development.

25. The branches are fully aligned to the seven subprogrammes that constitute the human settlements programme, which were recommended for approval by the Committee on Programme and Coordination in June 2012, as part of the strategic framework for the period 2014-2015. Each branch consists of from three to four units. The seven subprogrammes are also identical to the focus areas in the proposed strategic plan for 2014-2019, thus ensuring complete alignment between the six-year strategic plan, the two-year strategic framework, the two-year work programme and budget, and the organizational structure of the agency.

26. The human settlements programme will be implemented jointly by the seven new branches and the regional offices, with the support of a new Management Office (which conflates elements of the mandates of the former Programme Support Division and some managerial elements of the Office of the Executive Director), and a new Project Office (which also combines some elements of the former

Programme Support Division as well as some elements of the former substantive Divisions).

27. Until the beginning of 2014, the work of UN-Habitat will continue to be guided by the medium-term strategic and institutional plan for 2008-2013, after which the new strategic plan for 2014-2019 will take effect. The foreseen complete alignment will simplify accounting and reporting, and enhance accountability and transparency. A plan to guide the delivery of the outputs of the 2012-2013 work programme and implementation of the medium-term strategic and institutional plan for 2008-2013 through the new organizational structure was developed in December 2011.

28. Change management is a long-term process which requires careful handling and gradual implementation, with particular attention to change of organizational culture and the management of people. In addition to the various channels of communication, a Staff-Management Consultative Committee was established as a vehicle for consultations on the organizational reform of UN-Habitat.

29. All staff members have been placed in their new organizational units, following one-to-one consultations between staff and their respective supervisors. In this process, care has been taken to safeguard the rights and interests of staff members, and no jobs have been lost.

C. Contributions to the United Nations Habitat and Human Settlements Foundation

30. In paragraph 16 of resolution 66/207, the General Assembly called for continued support for UN-Habitat through increased voluntary contributions to the United Nations Habitat and Human Settlements Foundation, including the Water and Sanitation Trust Fund.

31. As of 31 December 2011, 37 million United States dollars had been received in non-earmarked funds, which represented 65 per cent of the target of US$ 57 million for the biennium 2010-2011. For earmarked resources, US$ 371 million was received during the biennium 2010-2011, which exceeded by 47 per cent the biennium target of US$ 252 million.

32. Trends for the current biennium appear to be following those for the biennium 2010-2011. The income targets for 2012-2013 are US$ 60.4 million and US$ 283 million in non-earmarked and earmarked income, respectively. As of 30 June 2012, US$ 6.1 million (or 20 per cent of the target) had been received in non-earmarked income, while US$ 72 million (or 51 per cent of the target) had been received in earmarked income.

33. Mindful of the persistent effects of the global financial crisis and the challenges that most donor countries are facing, UN-Habitat continued with cost control and management measures to bring expenditures in line with the forecast income levels to the extent possible. Despite these measures, a preliminary analysis of income and expenditure for the period January-June 2012 has shown that UN-Habitat is likely to experience a deficit in non-earmarked core income in 2012. However, earmarked income is again likely to exceed the target for 2012.

34. While UN-Habitat may not be able to avoid a core income deficit in 2012, it has a longer-term vision. It is developing a strategy to raise more non-earmarked contributions from both traditional donor countries and middle-income countries. Steps to accelerate project acquisition and implementation in order to improve overhead income are also being taken. Careful control of core expenditure will continue, while support of key tasks is ensured.

IV. Advancing the goals of the Habitat Agenda

A. Progress in the implementation of the medium-term strategic and institutional plan for the period 2008-2013

35. In paragraph 9 of resolution 66/207, the General Assembly welcomed the progress made in the implementation of the medium-term strategic and institutional plan for 2008-2013. During the reporting period, further progress was made in the implementation of the five focus areas of the plan.

Advocacy, monitoring and partnership

36. Focus area 1 of the medium-term strategic and institutional plan, entitled "Advocacy, monitoring and partnership", continued to make good progress during the reporting period. The self-assessment of UN-Habitat, conducted at the end of June 2012, against the indicators of achievement and targets for 2012, placed three expected accomplishments of focus area 1 on track, i.e., there had been a delivery level of more than 75 per cent, and one expected accomplishment was assessed as having had mixed progress, i.e., some indicators had had a delivery level of between 50 and 75 per cent.

37. The normative work of UN-Habitat continued to contribute to increased awareness on urbanization issues through the flagship reports and advocacy platforms. Results from a survey conducted to assess the efforts of UN-Habitat in raising awareness on human settlement issues completed in November 2011 confirmed that the two flagship reports, the *Global Report on Human Settlements* and *State of the World's Cities*, as well as the Best Practices Database, continued to be valuable tools in raising awareness of human settlements conditions and trends among UN-Habitat partners.

38. The number of media articles on *State of the World's Cities* and the *Global Report on Human Settlements* increased by 78 per cent, reaching a record of over 25,000 in 2011, up from 14,022 for 2010, and exceeding the target of 16,000 articles. UN-Habitat recorded an increase of 31 per cent in downloads of publications from its website in 2011, i.e., from 822,156 in 2010 to 1,076,039 in 2011, thus surpassing the 2011 target of 900,000 downloads. During the first half of 2012, UN-Habitat recorded 55,749 downloads of the global flagship reports, which had already exceeded the target of 22,000 for the biennium 2012-2013.

39. Cooperation agreements with UN-Habitat partners increased from 248 as of December 2011 to 317 in June 2012, an indication of increased participation of Habitat Agenda partners in the formulation of policies and contribution to sustainable urbanization. These partnerships included 76 international organizations, 55 national Governments, 43 local authorities, 13 foundations, 43 private sector

organizations, 35 training institutions and 52 civil societies. By June 2012, 172 youth groups had been implementing projects sponsored by UN-Habitat.

40. UN-Habitat also made significant progress during the reporting period in promoting knowledge exchange, collaboration and networking with its partners through the Urban Gateway, its global online platform. This platform has proved to be an effective tool with respect to enabling Governments, local authorities, urban practitioners, researchers, civil society, businesses and others to contribute to a multimedia knowledge repository of urban best practices, projects, research, technology and publications. As of 31 December 2011, there were over 982 registered users on the Urban Gateway and 3,020 items had been posted.

Participatory urban planning, management and governance

41. The self-assessment of UN-Habitat, conducted in June 2012, rated all three expected accomplishments of focus area 2 of the medium-term strategic and institutional plan, "Participatory urban planning, management and governance", as being on track. Forty-three countries, against a target of 56 for 2013, had improved their policies, legislation and strategies for urban planning, management and governance, with the support of UN-Habitat. A total of 22 crisis-prone and post-crisis countries were implementing policies that incorporated urban risk and vulnerability measures as of June 2012, up from 11 in 2011. Madagascar and Haiti were the new countries added during the reporting period. By June 2012, 55 institutions (up from 53 institutions at the end of 2011) were promoting sustainable urbanization. Of these, 28 were local government training institutions, 14 were universities and 13 were local government associations and regional or global local government training institutions. As of June 2012, a total of 166 cities were implementing inclusive urban planning, management and governance, with support from UN-Habitat, through participatory action planning and implementation in the areas of governance, safety, environment, risk and crisis, 19 more than the 147 cities implementing urban planning, management and governance at the end of 2011.

Pro-poor land and housing

42. With regard to focus area 3, entitled "Pro-poor land and housing", implementation of all three expected accomplishments was assessed as on track at the end of June 2012. As of June 2012, a total of 37 countries (compared with a target of 32 for 2013) were developing, implementing or completing land and housing reforms. The new countries that had been added to the number by December 2011 were Burundi, the Democratic Republic of the Congo, Iraq and the Republic of South Sudan.

43. Through normative tools and technical assistance, UN-Habitat mobilized Governments and Habitat partners with respect to improving security of tenure and reducing forced evictions. As of December 2011, 29 countries (compared with a target of 29 for 2013) were implementing policies to improve security of tenure and reduce forced evictions, including in post-disaster and post-conflict situations. As of June 2012, 34 countries were implementing slum prevention and improvement policies with UN-Habitat support, a figure above the 2013 target of 28 countries. Twelve of them had prepared slum upgrading and prevention programmes for

implementation, with support from the Participatory Slum Upgrading Programme and funding from the European Commission.

Basic urban infrastructure and services

44. With respect to focus area 4, entitled "Environmentally sound basic urban infrastructure and services", the assessment at the end of June 2012, as well as the findings of the evaluation of the Water and Sanitation Trust Fund conducted in 2011, placed one indicator of achievement and its related targets as on track, while two indicators of achievement and their related targets were assessed as having shown mixed progress, that is, a delivery rate greater than 50 per cent, but lower than 75 per cent.

45. Participating countries in the Water for Cities programmes progressively adopted policies aimed at expanding access to environmentally sound urban infrastructure and services. By June 2012, 36 countries (13 in Asia and the Pacific, 7 in Latin America and the Caribbean, 15 in Africa and 1 in Central America), up from 35 in November 2010, had become involved. The new country added during the reporting period was Honduras. The number of institutions in target countries progressively adopting institutional mechanisms that expand access to environmentally sound urban infrastructure and services had reached 131 by June 2012, up from 126 institutions in December 2011. This was above the 2013 target of 120 institutions.

46. UN-Habitat also worked with service providers to improve institutional efficiency and effectiveness of water and sanitation utilities through the Lake Victoria Programme (LV-WATSAN), within which seven water utilities in three countries integrated improvements in physical infrastructure with training and capacity-building. Four of the seven utilities are achieving over 95 per cent cost recovery and one other utility is achieving 86 per cent cost recovery and is on track to achieve the 95 per cent target. Under the Southeast Asian Mekong Region Water and Sanitation Initiative (MEK-WATSAN), two towns, namely Xieng Ngeun and Sayabouly, both in the Lao People's Democratic Republic, are recovering 100 per cent of operations and maintenance costs.

47. During the reporting period, a new project entitled "Promoting sustainable transport solutions for East African cities" was launched. The project is benefiting three towns (Nairobi, Kampala and Addis Ababa). Its aim is to reduce growth in private motorized vehicles, thus reducing traffic congestion and greenhouse gas emissions. The project is jointly implemented with the Governments of Kenya, Uganda and Ethiopia. The implementation phase started in November 2011, and has an expected completion date of 2015. This project relates to two thematic areas on which UN-Habitat is placing increasing emphasis, namely, urban mobility and transport, and cities and climate change.

Human settlement finance

48. Under focus area 5, entitled "Human settlements finance systems", the self-assessment carried out at the end of June 2012 rated both expected accomplishments as requiring high attention, inasmuch as they had a delivery rate of less than 25 per cent. There has been no significant change in the performance in this focus area. By the end of 2011, the two financial services programmes — the revolving loan fund of the experimental reimbursable seeding operations (ERSO) and the grant

programme of the Slum Upgrading Facility — had raised US$ 3,629,597 and US$ 19,233,000, respectively, achieving a total of US$ 22.9 million. Over 8,000 low-income households were directly benefiting from the experimental reimbursable seeding operations by the end of 2011, and this figure, also, has not changed since then.

49. Following the adoption of resolution 23/10 by the Governing Council of UN-Habitat on 15 April 2011 at its 23rd session (A/66/8, annex, sect. B), which brought direct lending operations to an end, largely because of lack of additional donor funding, there has been no further expansion of either the ERSO revolving loan or Slum Upgrading Facility grant programmes. However, with respect to the experimental reimbursable seeding operations, a loan repayment rate of 100 per cent has been maintained. In follow-up to Governing Council resolution 23/10, UN-Habitat has tried to identify a suitable partner for taking over the ERSO loan portfolio, but has not been able to do so, and has had to continue managing the existing loan portfolio.

Excellence in management

50. Finally, with respect to focus area 6, entitled "Excellence in management", the self-assessment carried out at the end of June 2012 assessed all four expected accomplishments as having demonstrated mixed progress, with some indicators achieving a delivery level of more than 75 per cent (thus being on track), most of the others achieving a delivery level higher than 50 per cent but lower than 75 per cent (meaning mixed progress), and one indicator having a delivery level of less than 25 per cent (meaning "high attention required"). A revised skills inventory was introduced to reflect the additional new priorities of the organization, in which over 90 per cent of staff participated. Staff have been empowered through development and training programmes, including: in management development (50 per cent of eligible staff were trained) and results-based management (about 80 staff were trained in 2011).

51. Information continued to be shared through town hall meetings, meetings of the Senior Management Committee and the Senior Management Board, as well as divisional and focus area retreats. The average time for recruitment significantly improved during the reporting period, as reflected in a figure of 150 days, down from 274 days in 2009. The average time for procurement also improved significantly — 15 days, down from 67 days in 2009. The average time taken for approval of cooperation agreements was improved, as reflected in a figure of 8 days, down from 11.6 days in 2009 and corresponding to the target of 8 days set for 2013.

52. The UN-Habitat organizational review for the rationalization of current structures so as to enhance efficiency and effectiveness of the programme was completed. Key reform components taking into account all six recommendations on institutional reform made by the 2010 peer review of the medium-term strategic and institutional plan were determined, and are now being implemented. Those recommendations entailed:

- Establishment of an organizational structure through which to better achieve results within priority areas
- Establishment of a unified planning, monitoring and reporting function
- Transparent definition of programme priorities

- Establishment of an independent evaluation function
- Establishment of cooperation mechanisms at all levels
- Strengthening of the programmatic aspects while continuing with the institutional reform
- Intensification of efforts to raise the organization's profile

B. Draft strategic plan for 2014-2019

53. In paragraph 10 of its resolution 66/207, the General Assembly encouraged UN-Habitat to continue to work on the strategic plan for 2014-2019 in consultation with the Committee of Permanent Representatives, in an open and transparent manner, setting realistic and achievable goals for the period it covered.

54. During the reporting period, UN-Habitat made significant progress in preparing its draft strategic plan for 2014-2019. The plan was prepared jointly by a UN-Habitat team and the Committee of Permanent Representatives, through an Open-ended Contact Group for the Preparation of the Strategic Plan for 2014-2019, established in June 2012 specifically for that purpose.

55. From the beginning of its work in August 2011 to its last meeting on 4 July 2012, the Open-ended Contact Group held a total of 15 meetings and held a three-day workshop organized to develop the results framework of the draft strategic plan. The draft strategic plan was endorsed by the Committee of Permanent Representatives in two stages, at its meetings of 28 June and 22 August 2012. The draft strategic plan will be considered, for approval at the twenty-fourth session of the Governing Council of UN-Habitat, to be held in April 2013.

56. Part I of the plan, entitled "Strategic analysis", presents the rationale of the strategic plan, highlighting the external and internal factors that have shaped the plan's content. In general, it answers the question, Why? Part II, entitled "Strategic choice", presents the core elements of the strategic plan, including its vision, mission, goal, strategic result, focus areas and results framework. It addresses the question, What? Part III of the plan, entitled "Strategy implementation", describes how the plan will be implemented, including: implementation phases; how the plan's implementation will be monitored and evaluated, within the context of results-based management; and the financial and human resources required for the successful implementation of the plan.

57. The draft strategic plan for 2014-2015 formed the basis for the preparation of the programme narrative of programme 12 of the proposed strategic framework for the period 2014-2015. The Committee for Programme and Coordination considered the programme at its fifty-second session, on 7 June 2012, and recommended that the General Assembly approve the programme narrative of programme 12.

C. Addressing the slum challenge

58. The General Assembly, in paragraphs 7 and 8 of its resolution 66/207, invited UN-Habitat to provide technical and advisory assistance to Governments and regional and local authorities to, inter alia, prepare national, regional and local slum

prevention and upgrading strategies and plans, and to formulate and implement slum upgrading and housing programmes.

59. As indicated in the overview of *The Millennium Development Goals Report 2012*,[6] the target of significantly improving the lives of at least 100 million slum dwellers by 2020 has been exceeded. The share of urban residents in the developing world living in slums declined from 39 per cent in 2000 to 33 per cent in 2012. More than 200 million people gained access to either improved water sources, improved sanitation facilities, or durable or less crowded housing. This achievement exceeds the slums-related target by 100 million, and is well ahead of the 2020 deadline. However, it will be recalled that the slum target was set at a very low level, compared with the immensity of the slum challenge.

60. During the reporting period, 30 countries from the African, Caribbean and Pacific regions completed their national urban profiles and three city profiles were completed on average per country through the first phase of the Participatory Slum Upgrading Programme, which was launched in April 2008 and terminated on 31 December 2011. The Programme had been built upon lessons learned during the Rapid Urban Sector Profiling for Sustainability project, financed by the Governments of Belgium, Italy and the Netherlands. Through that project, 12 African countries successfully completed urban profiles at national and local levels.

61. Phase 2 of the Participatory Slum Upgrading Programme, which expanded both the scope of and participation in the projects, was launched at the beginning of 2012. Phase 2 added an action planning dimension for the original 12 African countries (Burkina Faso, Cameroon, the Democratic Republic of the Congo, Eritrea, Ethiopia, Ghana, Kenya, Mozambique, the Niger, Senegal, the United Republic of Tanzania and Zambia), and engaged with 18 new African, Caribbean and Pacific countries. These included 11 African countries (Burundi, Cape Verde, the Congo, Côte d'Ivoire, the Gambia, Madagascar, Malawi, Mali, Mauritius, Nigeria and Uganda); 4 Caribbean countries (Antigua and Barbuda, Haiti, Jamaica and Trinidad and Tobago); and 3 Pacific island countries (Fiji, Papua New Guinea and Solomon Islands).

62. The overall goal of the Programme has been to improve the living conditions of the urban poor and contribute to Millennium Development Goal 7 (Ensure environmental sustainability), target 7C (Halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation) and target 7D (By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers).

63. An International Expert Group Meeting on the Global Housing Strategy to the Year 2025: Regional Assessments. Global Review and Roadmap was held in Rio de Janeiro on 21 and 22 March 2012 to discuss and reflect on the six regional assessments of the housing sector and the regional analysis of the implementation of the Global Strategy for Shelter to the Year 2000. This event contributed to a better understanding of the current shifts in housing policy and practice in all regions of the world within the context of rapid urbanization, and high rates of slum formation, as well as the current challenges faced by countries regarding the provision of adequate housing, especially for low-income households and vulnerable groups.

[6] United Nations publication, Sales No. E.12.I.4.

64. During the reporting period, UN-Habitat also supported members of the Organization of Eastern Caribbean States (Anguilla, Antigua and Barbuda, the British Virgin Islands, Dominica, Grenada, Montserrat, Saint Lucia, Saint Kitts and Nevis and Saint Vincent and the Grenadines) in developing land policy guidelines highlighting the crucial importance of land management to the achievement of economic development, poverty reduction, social stability and the protection of environmentally sensitive areas. In addition, UN-Habitat provided support to Grenada, Saint Kitts and Nevis and Saint Lucia in developing national land policies, in line with the guidelines, as adapted to local conditions. This involved use of tools within the UN-Habitat Global Land Tool Network such as the Social Tenure Domain Model and the *How to establish an effective land sector* and *How to Develop a Pro-Poor Land Policy* guides.

D. Cities and climate change

65. In paragraph 13 of its resolution 66/207, the General Assembly reiterated its encouragement to UN-Habitat to continue, within its mandate and in line with its medium-term strategic and institutional plan, its existing cooperation on issues related to cities and climate change and to continue to play a complementary role in matters related to climate change within the United Nations system, in particular in addressing the vulnerability of cities to climate change.

66. During the reporting period, UN-Habitat was represented at sessions of the subsidiary bodies of the United Nations Framework Convention on Climate Change, held in Bonn in May 2012; during a networking event, it launched a Global Protocol for Community-scale Greenhouse Gas Emissions, which represents a "next generation" iteration of the International Standard for Determining Greenhouse Gas Emissions for Cities, developed earlier and jointly by the World Bank, the United Nations Environment Programme (UNEP) and UN-Habitat.

67. UN-Habitat also took part in the Resilient Cities Congress in Bonn, also held in May 2012, where it was announced that, under the Green Climate Fund, Member States will be able to nominate "competent subnational entities", including local governments, to receive funding. Given that, at present, access by cities to climate finance is quite limited, this provision represents a welcome, if modest, development.

68. The Knowledge Centre on Cities and Climate Change ("K4C") website, a global platform for knowledge-sharing, was jointly launched by UNEP, the World Bank and UN-Habitat, under the auspices of their Cities Alliance-funded joint work programme (see www.citiesandclimatechange.org), to promote the exchange of knowledge and know-how.

69. With support from UN-Habitat, the fourth session of the African Ministerial Conference on Housing and Urban Development was held in Nairobi from 20 to 23 March 2012. The Conference and outcome document considered the topic of territorial planning and access to basic services for all, with a special emphasis on climate change.

70. The Government of Nepal approved its climate change policy, with urban-focused inputs from the UN-Habitat Cities and Climate Change Initiative. The Government of Sri Lanka also finalized its national climate change policy, whose

development was supported by the Initiative. The Government of Fiji approved a housing policy that, with Initiative inputs, mainstreamed the issue of climate change. The Initiative also provided inputs into a review of urban planning policy and legislation in the United Republic of Tanzania which adopted a climate change perspective.

71. In the Philippines, Sorsogon, one of the cities supported by the Cities and Climate Change Initiative, developed guidelines for housing design and site plans, with an emphasis on adaptation to climate change. A climate change assessment for Sihanoukville in Cambodia was completed, while an in-depth ecological and zoning study for an environmentally fragile area of Maputo (Mozambique) was also completed.

E. Natural and human-made disasters

72. In paragraph 14 of its resolution 66/207, the General Assembly stressed the importance of timely action by UN-Habitat in response to natural and human-made disasters, in particular through its work in addressing post-disaster and post-conflict housing and infrastructure needs through its normative and operational work as part of the continuum from emergency relief to recovery and to urban development through effective urban planning.

73. During the reporting period, UN-Habitat launched a new four-year Urban Resilience Indexing Programme under its risk reduction and rehabilitation work during the United Nations Conference on Sustainable Development. The primary goal of the Programme is to develop an integrated forward-planning urban systems approach in partnership with cities, local governments, and private sector and research organizations. It is founded on the principles of "resilience" which dynamically underpin improved capacity to protect urban citizens and their assets and to enable them to recover from all hazards. The Programme provides a set of indicators and global standards for calibrating the ability of urban systems to withstand and recover from crisis. It fills a large gap by providing a forward-looking, integrated, multi-hazard and multi-stakeholder urban systems approach to planning and developing urban settlements.

74. Key outcomes of the United Nations Conference on Sustainable Development summit relevant to natural and human-made disasters and to the work of UN-Habitat include commitments to an improved focus on disaster risk reduction and the building of resilience in urban areas through joint advocacy efforts with the Office for Disaster Risk Reduction of the United Nations Secretariat. During the reporting period, the agency embarked on an agreement with USAID, within the context of the Global Shelter Cluster of the Inter-Agency Standing Committee, on improving collaboration in post-crisis shelter response through coordination, learning and assessing impact on the lives of affected populations.

75. In line with its Inter-Agency Standing Committee-related responsibility, UN-Habitat launched an emergency fund which aims to deliver on its Strategic Policy on Human Settlements in Crisis, and to make the agency's humanitarian response more predictable, systematic and rapid. This fund will enable the organization to play a stronger role in inter-agency coordination and emergency response in the initial emergency response phases, and help to build the foundation

for sustainable recovery and reconstruction by providing initial resources for rapid emergency response and programme formulation based on needs.

76. During the first six months of 2012, UN-Habitat responded to humanitarian crises in the Philippines, El Salvador and Libya through deployment of missions in support of humanitarian country teams and the Government in respect of coordinating the housing and shelter rehabilitation response, and designing long-term housing reconstruction programmes in these countries. In Sri Lanka, UN-Habitat has mobilized additional resources of over US$ 7 million to further assist reconstruction of 4,000 damaged houses for internally displaced persons, following conflict in the northern part of the country. UN-Habitat is the lead technical and implementing agency in housing reconstruction in Sri Lanka.

77. The Government of Norway and UN-Habitat embarked on the third phase of disaster response and preparedness interventions in Myanmar designed to address disaster vulnerabilities in coastal and urban areas through a multi-hazard approach. UN-Habitat also fielded a mission to Côte d'Ivoire to address post-conflict land and property issues and devise recommendations for promoting land conflict prevention and peacebuilding within the stabilization and reconciliation framework.

78. Addressing issues associated with land and property rights in post-crisis contexts is one of the key areas of engagement for UN-Habitat. The agency further consolidated its position in providing technical assistance on post-crisis housing, land and property conflicts in Afghanistan, the Democratic Republic of the Congo, Iraq and Liberia through technical assistance to humanitarian agencies, Governments and communities, including support to the Office of the United Nations High Commissioner for Refugees in developing lease certificates for internally displaced persons and refugees receiving housing assistance in Iraq and Kyrgyzstan.

V. Other significant developments

79. During the reporting period, UN-Habitat made significant progress with respect to the implementation of the World Urban Campaign and preparations for the World Urban Forum, its two most important global advocacy mechanisms. UN-Habitat also took part in the United Nations Conference on Sustainable Development, whose outcome document, entitled "The future we want", contains a number of important commitments relevant to the Habitat Agenda.

A. World Urban Campaign

80. The World Urban Campaign is a global partnership designed to promote a positive vision for sustainable urbanization and to incorporate the Urban Agenda within national development policies. It was launched at the fifth session of the World Urban Forum, held in Rio de Janeiro, Brazil, in March 2010. During the first half of 2012, the Campaign made significant progress in improving internal and external communication. The Campaign secretariat established two web platforms (worldurbancampaign.org and imacitychanger.org) and produced a new communication brochure in three United Nations working languages, as well as guidelines for joining the Campaign.

81. A World Urban Campaign Fund was established as a common resource mobilization and funding facility to enable the Campaign to deliver in respect of its objectives and activities. Different levels of partnership and sponsorship have been proposed by the secretariat and approved by the World Urban Campaign Steering Committee.

82. The World Urban Campaign had expanded its partnership base from 26 organizations in 2011 to 42 as of June 2012. These partners include political organizations, civil society, the business community, experts and the media. Campaign activities that developed knowledge and promoted learning and dialogue on cities were carried out during the reporting period. A catalogue of tools and methods, and a global observatory on good policies and enabling legislation, were also developed, A new working group on city futures and innovation was established.

83. The preparation of a World Urban Campaign manifesto for cities towards Habitat III by the partners is ongoing. The purpose of the Manifesto is to convey clear and compelling messages to decision makers and stakeholders about the need for change in urban matters, based on the principles of the Campaign.

84. UN-Habitat supported the establishment or the revival of national habitat committees or of national urban forums in several countries across Africa, Asia and the Pacific, and Latin America and the Caribbean. National habitat committees and national urban forums are used to promote national dialogue on urban issues.

85. As of June 2012, there were 38 national habitat committees and national urban forums, up from 35 in 2011. Countries where national habitat committees or national urban forums have been established or revived are: Afghanistan, Bangladesh, Burkina Faso, Cambodia, China, Colombia, Costa Rica, Cuba, the Democratic Republic of the Congo, Ecuador, Fiji, Ghana, Haiti, Indonesia, Kenya, Kiribati, Lebanon, Lao People's Democratic Republic, Malawi, Mexico, Mozambique, Nepal, Nicaragua, Nigeria, Pakistan, Papua New Guinea, the Philippines, Rwanda, Samoa, Senegal, Solomon Islands, Sri Lanka, Tonga, Tuvalu, Uganda, the United Republic of Tanzania, Vanuatu and Viet Nam.

86. UN-Habitat has developed guidelines on the composition, functions and mode of operation of national habitat committees and national urban forums in order to enhance their impact. The guidelines also provide a framework for harmonization and alignment of the work of national habitat committees and national urban forums with the new strategic priorities adopted during the current organizational reform of UN-Habitat. The main areas of national dialogue on urban issues highlighted in the guidelines include:

- Country-level preparations for Habitat III
- National urban policy
- Impacts of urbanization on, and the role of cities in, national development
- Creation of decent urban jobs, especially for the youth
- Improving urban design and planning in order to enhance the efficiency of towns and cities
- Formulation of a global housing strategy, in line with the request of the Governing Council of UN-Habitat in its resolution 23/16
- World Urban Campaign

B. World Urban Forum

87. Preparations for the sixth session of the World Urban Forum continued during the reporting period. At Naples, the sixth session will be supported by all three levels of the Government of Italy: the national level, the region of Campania and the city of Naples itself.

88. Following political changes in respect of local and national political authorities in Italy last in 2011, and in the wake of the downturn of the economy worldwide, the host country called for a revision of an earlier agreement and the programme of the sixth session of the World Urban Forum in January 2012. A new agreement was signed in June 2012, committing the Government of Italy to host the sixth session in Mostra d'Oltramare, Naples, during the first week of September.

89. The topic at the sixth session will be: "Urban future". Four main dialogues will be organized: the first on productive cities; the second on urban planning; the third on equity and prosperity; and the fourth on urban mobility, energy and environmental sustainability.

90. Apart from the dialogues, round tables, networking, training and side events will also be organized. The process of inviting countries and Habitat Agenda partners had commenced in December 2011. Registration commenced in April 2012, with the intention of closing in late August 2012. By mid-July 2012, more than 5,000 prospective participants from over 140 countries had registered, including ministers, ambassadors, parliamentarians, mayors and leading representatives of civil society organizations. During the reporting period, the Governments of France and the United States of America made financial contributions to support the travel of participants to the Forum.

91. The sixth session will also host an exhibition, part of it open to citizens. The World Urban Campaign and "I'm a city changer" campaign will be represented at the exhibition and will be an important part of the session, which will also be the first "strategy session" for Habitat III, providing an opportunity and platform for consultations with Member States, Habitat Agenda partners and organizations in the United Nations system on the scope and organization of Habitat III.

C. Outcome of the United Nations Conference on Sustainable Development: implications for the Habitat Agenda

92. During the United Nations Conference on Sustainable Development, UN-Habitat organized and participated in more than 50 side events related to sustainable cities and played a significant role in events such as the Global Town Hall.

93. The outcome document of the Conference, entitled "The future we want", included four key components that are particularly important to UN-Habitat. In the subsection on sustainable cities and human settlements (see sect. V.A), the outcome document recognizes the need for a holistic approach to urban development and human settlements that provides for affordable housing and infrastructure and prioritizes slum upgrading and urban regeneration (para. 134). The outcome document further commits to promoting an integrated approach to planning and building sustainable cities and urban settlements, while seeking to promote sustainable development policies that support inclusive housing and social services (para. 135);

and stresses the need to strengthen existing cooperation mechanisms and platforms, partnership arrangements and other implementation tools to advance the coordinated implementation of the UN-Habitat Agenda, and recognizes the continuing need for adequate and predictable financial contributions to the UN-Habitat and the Human Settlements Foundation (para. 137).

94. Other important issues in the outcome document that are relevant to the work of UN-Habitat include creating strong links between cities and transport (para. 132), recognition of water and sanitation as a human right (para. 121), encouraging the creation of a road map for developing global sustainable development goals, to be agreed by the General Assembly (para. 248), and endorsement of the 10-year framework of programmes on sustainable consumption and production patterns (para. 226).

95. In the medium term, it will be important to ensure alignment between the sustainable development goals within the dimension of sustainable cities and human settlements, and the goals of the New Urban Agenda, to be developed during the preparatory process for Habitat III.

VI. Conclusions and recommendations

96. The recommendations arising from the above presentation are divided into two categories: those related to Habitat III; and those related to the implementation of the Habitat Agenda and the strengthening of UN-Habitat.

A. Habitat III

97. The most important event in the area of human settlements and urban development in the next few years will be Habitat III, and its preparatory process will place significant demands on Member States, UN-Habitat and the United Nations system as a whole. It is important for the preparatory process to be inclusive of all relevant stakeholders, especially local authorities and other Habitat Agenda partners. The process will also need to be efficient and effective. In deciding on the scope, modalities, format and organization of Habitat III, the General Assembly might want to take into account the recommendations set out below:

1. It is recommended that Habitat III be organized at the highest possible level, including Heads of State and Government, or other representatives and, in this context, the conference could be called the "World Summit on Housing and Sustainable Urban Development (Habitat III)". It is further proposed that the theme of the Conference be "Sustainable cities";

2. On the basis of lessons learned from Habitat II, and also from other recent international United Nations conferences, it will be important for the Preparatory Committee for Habitat III to be open to all States Members of the United Nations, with the participation, at all stages of the preparatory process, of observers, in accordance with the established rules of procedure of the General Assembly, Habitat Agenda partners, including local authorities, and members of the United Nations system, including specialized agencies, funds and programmes;

3. Habitat III should focus on the identification of accomplishments, new challenges, opportunities and areas where further efforts are needed through the implementation of a New Urban Agenda for the twenty-first century, which should build on the principles of, and gains achieved through, the 1996 Habitat Agenda, the Declaration on Cities and Other Human Settlements in the New Millennium and relevant internationally agreed development goals, including those contained in the United Nations Millennium Declaration, the Johannesburg Declaration on Sustainable Development and Johannesburg Plan of Implementation, and the outcome document of the United Nations Conference on Sustainable Development;

4. The Conference should result in renewed political commitment and support for sustainable urban development and housing, and in a focused political document with clear, measurable and time-bound goals and targets;

5. Habitat III, including its preparatory process, should ensure a balance among economic development, social development and environmental protection, as these are interdependent and mutually reinforcing components of sustainable urban development;

6. The Conference should integrate into its preparatory process the outcome document of the United Nations Conference on Sustainable Development, particularly those elements that relate to sustainable cities;

7. It is recommended that the Preparatory Committee for Habitat III carry out the following tasks:

(a) Organize meetings of the Preparatory Committee, as well as regional and subregional preparatory meetings, which could be held in conjunction with the sessions of the Governing Council of UN-Habitat and the World Urban Forum, as well as meetings of subregional and regional intergovernmental bodies, wherever possible;

(b) Undertake a comprehensive review and assessment of the implementation of the Habitat Agenda, the Declaration on Cities and Other Human Settlements in the New Millennium, and other relevant internationally agreed development goals, with inputs derived from national assessments and regional preparatory meetings;

(c) Identify major accomplishments and lessons learned in the implementation of the Habitat Agenda, the Declaration on Cities and Other Human Settlements in the New Millennium and all relevant internationally agreed development goals;

(d) Also identify major constraints hindering the implementation of the Habitat Agenda, the Declaration on Cities and Other Human Settlements in the New Millennium and all internationally agreed goals and commitments relevant to human settlements;

(e) Identify and address new challenges and opportunities that have emerged since the United Nations Conference on Human Settlements (Habitat II) and the adoption of the Habitat Agenda, the Declaration on Cities and Other Human Settlements in the New Millennium and other internationally agreed goals and commitments relevant to human settlements;

(f) Propose a new Urban Agenda for the Twenty-first Century, with specific time-bound measures to address the constraints and new challenges identified, as well as institutional and financial support measures required to implement the new agenda;

(g) Consider and decide on accreditation of relevant non-governmental organizations and other Habitat Agenda partners that are not in consultative status with the Economic and Social Council, so as to enable their participation in the preparatory process and in the Conference itself;

(h) Propose a provisional agenda and possible sub-themes for the Conference, based on the results of the preparatory activities carried out at the national, subregional, regional and international levels, taking also into account the inputs of the Habitat Agenda partners;

(i) Propose rules and procedures for the participation of representatives of the Habitat Agenda partners in the Conference, taking into account the rules and procedures applied at Habitat II;

(j) Undertake any other functions that may be required by the preparatory process;

8. It is suggested that the Preparatory Committee for Habitat III hold an organizational meeting and three substantive sessions;

9. The organizational meeting of the Preparatory Committee could be held in 2013 for at least three days, before the twenty-fourth session of the Governing Council of UN-Habitat. This would enable the Governing Council to make decisions needed to ensure support for the Habitat III preparatory process from April 2013 to April 2015. It is recommended that, at this meeting, the Preparatory Committee:

(a) Elect, from among all States, a Bureau composed of 10 members, with 2 representatives from each of the geographical groups, 1 of whom would be elected Chairperson and the others Vice-Chairpersons, and 1 of whom would also act as Rapporteur;

(b) Consider progress in preparatory activities carried out at the local, national, subregional, regional and international levels, as well as by the Habitat Agenda partners;

(c) Decide on the specific modalities of the future sessions of the Preparatory Committee;

(d) Consider a process for setting the agenda and determining possible sub-themes for the Conference in a timely manner;

10. The first substantive session of the Preparatory Committee could be held in 2014 for at least three days, before and possibly back-to-back with the seventh session of the World Urban Forum, or at a time and location that permit the expenses of both Member States and the United Nations Secretariat to be minimized. It is recommended that, at this first session, the Preparatory Committee undertake a comprehensive review and assessment of progress achieved in the implementation of the Habitat Agenda, the Declaration on Cities and Other Human Settlements in the New Millennium and other relevant

internationally agreed development goals, and identify key elements for inclusion in the draft outcome document of the Conference;

11. The second substantive session of the Preparatory Committee could be held in 2015 for at least five days, before and possibly back-to-back with the twenty-fifth session of the Governing Council of UN-Habitat, or, again, at a location and time that permit the expenses of both Member States and the United Nations Secretariat to be minimized. It is recommended that, at this session, the Preparatory Committee hold negotiations on the text of a document containing, inter alia, a draft Urban Agenda for the Twenty-first Century, which should:

(a) Emphasize the need for a global partnership to achieve the objectives of sustainable urban development and housing;

(b) Reconfirm the need for an integrated and strategically focused approach to the implementation of a new Urban Agenda for the Twenty-first Century, which addresses new global urban issues and forces, while building on the principles and gains achieved through the implementation of the 1996 Habitat Agenda, the Declaration on Cities and Other Human Settlements in the New Millennium and other relevant internationally agreed development goals;

(c) Address the main challenges and opportunities faced by the international community in this regard;

12. Following the example of the United Nations Conference on Sustainable Development, the third and final substantive session of the Preparatory Committee could be held in 2016, for at least three days, immediately prior to Habitat III and at the same venue as the Conference itself. It is recommended that, at its third session, the Preparatory Committee finalize a draft outcome document for consideration and adoption by Habitat III;

13. It is recommended that the concise and focused document prepared by the Preparatory Committee should be submitted for further consideration and adoption by the Summit and that the document should reinvigorate, at the highest political level, the global commitment to the accelerated implementation of the Urban Agenda for the Twenty-first Century, and to a higher level of partnership and international solidarity in the implementation of the Agenda;

14. Member States are urged to establish a trust fund for Habitat III, and international and bilateral donors and other countries in a position to do so are urged to support, through voluntary contributions to the trust fund, the global assessment of the implementation of the 1996 Habitat Agenda and the participation of representatives of developing countries, including Habitat Agenda partners, in the regional and international preparatory processes and in the Conference itself;

15. The United Nations development system is encouraged to support, as appropriate, national preparations for the Conference, upon the request of national authorities.

B. Implementation of the Habitat Agenda and strengthening of UN-Habitat

98. The General Assembly might wish to consider the following recommendations:

1. The preparatory process for Habitat III will place significant demands on UN-Habitat. One means of addressing this challenge would be to include some of the major substantive documents required for Habitat III as outputs in the work programme and budget of UN-Habitat for the biennium 2014-2015. These could include national, regional and global assessments of the implementation of the 1996 Habitat Agenda. One of the important background documents for Habitat II was the second issue (1996), entitled *An Urbanizing World*,[7] of one of the biennial flagship reports of UN-Habitat, namely, the *Global Report on Human Settlements*. Similarly, the 2015 issue of the *Global Report on Human Settlements* could focus on assessing the implementation of the Habitat Agenda globally, thus constituting a useful background document for Habitat III.

2. More than 50 per cent of the world's population now lives in cities and towns, and it has been estimated that urban centres contribute 60-70 per cent of the world's greenhouse gas emissions. The important role that cities and their local authorities can play in climate change mitigation and adaptation, and in the attainment of sustainable development in general, is increasingly well understood. In this context, it is recommended that Governments provide sufficient support to local authorities to enable them to put in place urban or local climate change mitigation and adaptation policies and strategies.

3. In line with General Assembly resolution 62/198, Governments are encouraged to establish broad-based national habitat committees as a mechanism for enhancing national dialogue with respect to a number of issues, including: country-level preparations for Habitat III; impacts of urbanization on, and the role of cities in, national-level development; creation of decent urban jobs, especially for the youth; improving urban design and planning in order to enhance efficiency of the city; national urban policy; formulation of a global housing strategy, in line with resolution 23/16 of the Governing Council of UN-Habitat; and the World Urban Campaign.

[7] Oxford, Oxford University Press, 1996.